

THE IMPACT OF DISTRIBUTION OF MONIES UNDER PUBLIC LAW  
874 ON THE JUNCTION CITY SCHOOL SYSTEM FROM 1951 THROUGH 1961

by

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## THE PROBLEM

The problem was to study and report the impact of the distribution of monies under Public Law 874 on the Junction City School System from the year 1951 through year 1961.

The hypotheses for this study were, first, that entitlements under Public Law 874 varied as to number and amounts.

Second, that receipts under Public Law 874 could be expected to be more numerous during certain months of the year.

Third, that a sizable per cent of receipts from Public Law 874 would not be available during a nine month school term.

Fourth, that the above conditions had a definite effect on the total finances of the Junction City School System Budget.

## DEFINITION OF TERMS USED

Act. Public Law 874 and the conditions stated therein for receipt of Federal Financial Aid.

Appropriations. Money that was set aside, or was to be set aside, by the Congress of the United States for financial assistance for eligible school districts under Public Law 874.

ADA. Average daily attendance of school pupils. It could be found by dividing the total number of days in attendance by the number of days taught.

Commissioner. The United States Commissioner of Education. He was responsible for checking original applications for Federal Financial Aid; for regulating any increase, decrease or deductions from the original application and for determining the partial and final entitlements to the school district.

Eligibility. The principal basis on which payments to local educational agencies were authorized to a school district that existed within, or near Federal property, on which school children lived, or their parents were employed.

Entitlements. The letter of acknowledgement from the Commissioner of Education that the school district, as indicated, had met all conditions precedent to the allocation of funds for the maintenance and operation of schools in accordance with the provisions of Public Law 874. All documentary evidence required had been received, examined, and found to be satisfactory, and had been filed in the Office of Education, Federal Security Agency. Figures on it contained "adjustments"; the increases or decreases in the original allotted amounts, determined on the basis of certified reports from the school district and the State Department of Public Instruction.

Federal property. Real property, owned, or leased by the United States. It was property not subject to taxation by any State or any subdivision of a State or by the District of Columbia.

Field representative. A representative from the U. S. Office of Education that worked through the State Department of Public Instruction. He helped the local districts with instruction and guidance in preparing the original application. He also checked the individual pupil's Federal form, as to qualifications for Federal Aid and ADA.

Public Law 874. A Federal Law which was passed by the 81st Congress of the United States. It gave Federal financial assistance for current expenditures, after September 30, 1950, to local educational agencies in areas affected by Federal activities. It arranged for the free public education of certain children residing on Federal property.

Pupil. Pupil was the term used in forms and instructions for financial assistance under Public Law 874. It had the meaning of a child in attendance at the schools of the applicant. A 3(a) pupil was one who was claimed by the local school agency, and who resided on Federal property. A 3(b) pupil was one who was claimed by the local school agency, and who did not reside on Federal property, but who had parents (one or both) working on Federal property.

Receipts. Money received by the local school district from the Treasurer of the United States. This money had been authorized by the Commissioner of Education after entitlement had been set.

Requisitions. A form letter or letters, filled in by the local school agency, which showed the number of ADA pupils for which the local

school claimed Federal Financial Aid under Public Law 874.

School term. The actual months the public schools were in session; this time was from the beginning of September until the end of May of each year.

## REVIEW OF LITERATURE

The Constitutional Convention left education--"to the states or to the people". However, there has been a certain amount of Federal Aid to education ever since our nation was young. The first significant act of the new Federal Government affecting public education was the Ordinance of 1785, adopted by the Continental Congress, which set aside for school purposes one section in each township of the Northwest Territory.<sup>1</sup> In 1803, the Federal Government actually started a practice of giving land for general educational purposes. Congress gave the sixteenth section of land, one mile square, in each township "to the inhabitants" for schools. With the admission of California in 1850, the gift consisted of two sections, 16 and 36. Three states, Utah, Arizona, and New Mexico received four sections by the addition of those numbered 2 and 32. The total land grant was estimated at 90 million acres.

The first Morrill Act in 1862 gave to each state 30 thousand acres for each senator and representative then in Congress. All proceeds from the sale of these lands were to be invested at 5 per cent and the proceeds in each state to be used for "the endowment, maintenance, and support of at least one college where agriculture and the mechanical arts were to be taught. There were sixty-nine such colleges in the United States."<sup>2</sup>

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<sup>1</sup> Herbert M. Hamlin, "Developments From 1860 to 1900", The Public and Its Education, 1948, 38.

<sup>2</sup> Carl R. Douglas and Calvin Grieder, "A Century of Educational Progress", American Public Education, 1942, 45.

The Hatch Act of 1887 appropriated \$15,000 annually to each state and territory having an agricultural college. The purpose was to promote scientific investigations respecting the principles and applications of agricultural science.<sup>3</sup>

The Smith-Lever Act of 1914 made an annual grant for extension work in agriculture and home economics.<sup>4</sup>

The Smith-Hughes Act of 1917 provided annual Federal funds for distribution to the states for vocational education in public schools of less than college grade. Funds were on a matching basis for teachers and supervisors of agriculture, home economics, trade and industrial subjects, for teacher training in these subjects, and for studies in vocational education.<sup>5</sup>

The Vocational Rehabilitation Act of 1920 appropriated money to the states for the training of handicapped persons so that they could be placed in self-supporting employment.<sup>6</sup>

Other money grants for education came after the admission of Ohio, when 5 per cent of the sales of all public lands in the states was turned

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<sup>3</sup>Edwin Grant Dexter, "Technical and Agricultural Education", History of Education, 1904, 367.

<sup>4</sup>Carl R. Douglas and Calvin Grieder, "A Century of Educational Progress", American Public Education, 1942, 44.

<sup>5</sup>Chris A. DeYoung, "National Program of Education", American Public Education, 1942, 16.

<sup>6</sup>Ibid, 16.



back to the states, when 25 per cent of the Forest Reserve Income was turned back to the states, and when a proportion of the royalties on nonmetallic mineral deposits on public lands was returned to the states.<sup>7</sup>

In September of 1950, Public Law 874 was passed by the 81st Congress of the United States. This Act was to give Federal Financial Aid to local educational agencies upon which the United States had placed financial burdens because of five reasons:

First, the revenues available to such agencies from local sources had been reduced as the result of the acquisition of real property by the United States.

Second, such agencies provided education for pupils residing on Federal property with a parent either employed on Federal property or on active duty in the uniformed services.

Third, such agencies provided education for pupils residing on Federal property.

Fourth, such agencies provided education for pupils whose parents had been employed on Federal property.

Fifth, there had been an increase in the number of pupils in average daily attendance as a direct result of the activities of the United States.<sup>8</sup>

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<sup>7</sup>Aubrey A. Douglas, "Other Money Grants for Education", The American School System, 1934, 38.

<sup>8</sup>United States Department of Health, Education and Welfare, "Purpose", Administration of Public Laws 874 and 815, June 30, 1959, 159.

Many amendments have been added to Public Law 874 during the eleven years since its passage. In 1953, a new way of figuring entitlements was passed. This was to add the 3(a) plus one-half of the 3(b) pupils and then subtract 3 per cent from the total. This amount was multiplied by the rate to get the gross entitlement. Also, in 1953, the Act was amended to read that there had to be at least ten or more pupils in a school in order for it to be eligible for Federal Aid.<sup>9</sup>

In 1954, the 3 per cent amendment of 1953 was postponed for a year.<sup>10</sup>

In 1959, the Act was amended to read that any 3(a) or 3(b) pupil who had been in attendance at a school and was eligible, would continue to be eligible even though his parent who was in the Armed Services had been transferred to active duty elsewhere.<sup>11</sup>

In 1960, any real property under the jurisdiction of the Post Office Department and used primarily for the provision of postal services was not an eligible property for purposes of the Act.<sup>12</sup>

Most Federal Aid has been given to only certain phases of education. The main reason for this aid was because of a seemingly lack or lag in

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<sup>9</sup>United States Code, "Title 20", Supplement I, 1953, p. 237.

<sup>10</sup>Ibid, 1954, p. 238.

<sup>11</sup>Ibid, Supplement II, 1958, p. 238.

<sup>12</sup>United States Department of Health, Education and Welfare, "Pupils Whose Parents are Employed on Federal Properties", Instructions for Preparation of Application, 1960, 5.

certain educational fields that wasn't being met by the state or local school action. These certain phases of education were deemed necessary by the Federal Government in order to meet the general welfare needs of the nation as a whole.

Federal Aid to education under Public Law 874 had trebled in number of local agencies affected since the passage of the Act. School districts which received Public Law 874 funds in 1959 had a total attendance of 9.5 million which represented about 25 per cent of the total public school enrollment.<sup>13</sup>

In 1959, more than 1,000 Kansas local school districts were affected by financial aid under Public Law 874. The thousand districts received nearly 4 million dollars in Federal Aid.<sup>14</sup>

According to Table I, page 10, Junction City has had more than 14 thousand federally-connected pupils since 1950 and has received \$2,620,719.50 in Federal Aid under P.L. 874. This amount made up more than 25 per cent of the total Junction City School System budget, which was \$9,996,124.72 from 1951 through 1961.

The Junction City School System took advantage of Public Law 874 from the time of its passage, as did many other districts. In many of these cases, money received under this law was one of a school district's

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<sup>13</sup>United States Department of Health, Education and Welfare, "Net Entitlement of Applicants", Administration of Public Laws 874 and 815, 1959, 11.

<sup>14</sup>Ibid, 45-48.

TABLE I

REQUISITIONS FOR FEDERAL FINANCIAL ASSISTANCE  
UNDER PUBLIC LAW 874 1951-1961

Date	3 (a) Pupils	3 (b) Pupils	Total Pupils	Rate	Application Amount	No.
Nov. 21, 1951	600	300	750	\$152.45	\$ 98,455.51	1
Nov. 24, 1952	499	666	832	153.36	122,959.57	1
Dec. 21, 1953	500	655	822.5	155.02	115,410.15	1
Sept. 13, 1954	542	672	878	166.32	136,672.82	1
April 5, 1955			878	179.66	148,385.34	
April 9, 1955			878	179.66	145,896.26	
Sept. 16, 1955			878	179.66	145,896.26	
April 26, 1956			1038	178.03	172,763.62	3
Nov. 13, 1956			1038	178.02	173,450.56	2
Mar. 13, 1957			1388.5	173.11	192,290.00	
April 18, 1957			1388.5	180.99	192,290.00	
Oct. 4, 1957			1350	176.14	221,062.15	3
Feb. 4, 1958			1635.5	171.64	280,717.22	
Aug. 13, 1958	1021	1229	1635.5	176.42	288,534.91	
Feb. 13, 1959	892	1191	1635.5	183.97	254,982.46	3
Jan. 26, 1959	1058	1513	1814.5	181.92	330,093.84	
Oct. 10, 1959	1021	1416	1729	195.38	337,812.02	2
Feb. 24, 1960	1190	1395	1887.5	200.59	378,613.63	
May 6, 1960	1190	1395	1887.5	200.59	378,613.63	
Sept. 7, 1960	1286	1423	1997.5	200.59	400,678.53	
Oct. 12, 1960	1278	1409	1982.5	230.00	455,975.00	4
April 17, 1961	1525	1780	2415	232.25	560,883.00	
May 2, 1961	1537	1590	2332	232.25	541,607.00	
Sept. 12, 1961			2402.5	232.25	558,052.70	3
1951-1961			14,150.0		\$2,620,719.50	

primary means of public school support.

Because of the irregularity of payment of monies received under Public Law 874, it has been difficult to keep the school district's money in balance with the expenditures. Most towns or cities located near military bases have had this same problem.

A thorough study of the impact of distribution of monies under Public Law 874 on the Junction City School System from 1951 through 1961 was made.

No previous study of this problem had been made, and information developed in this study was used in the Junction City School business management.

#### METHOD OF PROCEDURE

A thorough study was made of eligibility, applications, requisitions, entitlements and monies received under Public Law 874 for the Junction City School System from year 1951 through 1961 in order to determine:

The Junction City School System's right of eligibility.

The number of requisitions made yearly and the information involved.

The number of entitlements per year.

The months with a large number of receipts.

The months in which the largest amounts of money were received.

The actual amount of money received during the nine month school term each year.

The actual amount of money received during other than the nine month school term.

Ratio of the money received during a nine month school term to the total entitlement and to the total school budget.

Money that must be obtained elsewhere.

#### CONDITIONS AND PROCESSES NECESSARY TO RECEIVE FEDERAL AID

The United States Congress placed the responsibility of administering Public Law 874 in a Federal Commissioner of Education. He, in turn, was under the Department of Health, Education and Welfare. It was his responsibility to make judgments and determinations after consulting with State and local educational agencies. Administration of this Act was characterized by a National-State-local relationship, as shown by the application blank in the Appendix, page 40. The Kansas State Department of Public Instruction furnished to the Junction City School System valuable assistance and information in connection with its claims for financial assistance under this Act, at the same time it supplied to the U. S. Commissioner of Education, data required for the processing of the application forms. This information was supplied through bulletins, pamphlets, instruction forms, letters, and finally through the Field Representative.

#### Eligibility

Because of varying degrees of interest that the Federal Government had in properties, it was frequently difficult for the Commissioner to determine the eligibility of property claimed by an applicant as "Federal property". It was necessary for the applicant to send to the Commissioner information concerning the Federal agency having control of that property;

the location and acreage of that property; whether it was owned, leased, or otherwise controlled by the Federal Government; and whether there were any permits, grants, or other exchanges between Federal departments which would affect its status as Federal property within the meaning of the authorized Act.

The Junction City School System was eligible under this Act under definitions three and four listed on page 7. The Junction City Schools enrolled pupils residing on Federal property, 3(a) and pupils whose parents worked on Federal property, 3(b).

#### Application

All school districts that satisfied the eligibility requirements had to make formal application in order to receive payments.

Form RSF-1, when completed and submitted in accordance with certain instructions, makes up the applicant's request for financial assistance for current expense purposes for the fiscal year of the application.<sup>15</sup>

Payments were based on the average daily attendance (ADA) of eligible pupils. It was suggested that Form RSF-1 be turned in after the first attendance reporting period following the opening of the school term. The earlier the application was sent to the Commissioner, the earlier it was supposed to be processed and payment made. The deadline date for filing applications was March 31. Any exceptions to the deadline date were published in the Federal Register and were available to applicants

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<sup>15</sup>United States Department of Health, Education and Welfare, "Purpose of Application", Instructions for Preparation of Application, Form RSF-1, under Public Law 874.

through the State Department of Public Instruction. No payment could be made if the original application, together with supplements filed prior to the deadline date, did not include the information required or indicated the intent to supply it.<sup>16</sup>

School districts were classified as First Class City Districts, Second Class City Districts, Rural School Districts, Rural High School Districts, and County High School Districts. The figures in parenthesis indicated the number of grades composing the district.

Junction City School District was classified as a Second Class City District (K-12).

The Federal Commissioner recognized the superintendent as the authorized representative of those districts which were directly under superintendents. The superintendent had to be formally authorized by action of the governing officers of the school district, and this action had to show in the minutes of a regular meeting.

#### Requisitions

A formal requisition form, Form RSF-1, For Pupils Residing on Listed Federal Properties, as noted in the Appendix, page 43, had to be properly filled out and returned to the Commissioner in order that he could make the payments due the district. According to Table I, page 10, the number of requisitions sent to the Commissioner varied from one in

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<sup>16</sup>United States Department of Health, Education and Welfare, Instructions for Preparation of Application, 1960, 2.



1951-1954 to three most of the other years.

After 1954, three sets of requisitions were used in computing the ADA of federally-connected pupils for that fiscal year. Beginning with the 1959 school year, the first requisition called for 75 per cent payment of the ADA. In the second requisition, 20 per cent of the ADA was requested. This ADA was figured as the total ADA on the first requisition. The third requisition was figured after April 27, or a corresponding date in different years, and was the total ADA for the school year. It too, as a rule, was different from either the first or second requisition in ADA. April 27 was the cut-off date. All federally-connected pupils eligible on that date were counted as present for the rest of the school term, even though they dropped out of school sometime between that date and the date the school term actually ended. All new pupils that enrolled in school after this date were not counted as federally-connected. One group was supposed to balance the other and in this way the final ADA could be figured earlier and the final requisition made.

In most years from 1951 through 1961, the 3(a) and 3(b) pupils were computed separately. The total ADA was found by dividing the number of 3(b) pupils by two and adding that figure to the total of 3(a) pupils. According to Table I, page 10, from 1955 through 1957, the Commissioner called for only the total of federally-connected pupils. It can be noticed, also from this table, that the rate of payment had changed from \$152.45 per pupil in 1951 to \$232.28 in 1961. This represented almost a 50 per cent increase during the eleven years. The Junction City School

System's total of federally-connected pupils rose from 750 in 1951 to 2402.5 in 1961. This represented a 300 per cent increase in eleven years.

#### Entitlements

The requisitions were used by the Federal Commissioner in figuring the entitlement due the local school district.

The rate multiplied by the ADA on the requisitions gave the gross entitlement. The local contribution rate was based upon group rates approved on a State-wide basis. The Act provided that this rate could not be less than one-half the State per capita cost for current expenditures in the second year preceding or 50 per cent of the national average per pupil expenditure in the continental United States. Also, that it could not be greater than the average per pupil expenditure in the State in the second preceding year.

The Federal Commissioner had to make a new entitlement each time he received a requisition from the local school district. In case errors were made, either by the district or the Commissioner, new entitlements followed. Table II, page 17, showed the entitlements for the Junction City School System varied from two per year to four per year.

The Act also required the Federal Commissioner to deduct from gross entitlements certain amounts which he determined were actually received by the local district in transportation services, custodial services, or any other services furnished the local district by the Federal Government. For example, if Army buses and bus drivers were used to transport any

TABLE II  
ENTITLEMENTS FOR FEDERAL FINANCIAL ASSISTANCE UNDER  
PUBLIC LAW 874 1951-1961

Year	Date	Entitlement	Date	Entitlement	Date	Entitlement	Date	Entitlement No.
1951	Jan., 1951	\$ 86,664.00	Dec., 1951	\$ 98,455.51				2
1952	June, 1952	121,195.93	June, 1952	122,959.57				2
1953	June, 1953	109,636.68	Dec., 1953	115,410.15				2
1954	Dec., 1953	127,420.85	Sept., 1954	129,839.18	Jan., 1955	\$136,672.82		3
1955	Jan., 1955	148,385.34	April, 1955	148,385.34	April, 1955	145,896.26	Jan., 1956	4
1956	Mar., 1956	172,763.62	Nov., 1956	173,450.56				2
1957	Mar., 1957	240,363.24	April, 1957	251,304.02	Oct., 1957	221,062.15		3
1958	Feb., 1958	280,717.22	Aug., 1958	288,534.91	Feb., 1959	254,983.46		3
1959	Jan., 1959	330,093.00	Jan., 1959	280,579.76	Oct., 1960	337,812.02		3
1960	May, 1960	378,613.63	Sept., 1960	400,678.53	Oct., 1960	455,975.00		3
1961	April, 1961	560,883.00	May, 1961	541,607.00	Sept., 1961	558,052.00		3

3(a) or 3(b) pupils, who lived a mile or more from school, to school in Junction City or on the base, the Federal Commissioner deducted an amount per pupil per mile from the gross entitlement. If custodial services were provided for elementary schools on the base, this amount was also deducted. The costs of any services performed by any branch of the Federal Government for a school district were deducted from the gross entitlements before arriving at the net entitlement.

The Federal Commissioner subtracted any deductions in favor of the Federal Government, made any regulations for over-payment or under-payment of previous years, and arrived at the net entitlement.

Variations were found in number of entitlements and in the amount of each entitlement. Table II, page 17, showed that entitlements in the Junction City School System had varied from 25 to 50 per cent in number from year 1951 through year 1961. This same table showed variations in entitlements of approximately one thousand dollars in 1952 to a high of about 40 thousand dollars in 1959.

#### Appropriations

The Congress of the United States appropriated all Federal money under the Act. The money to operate this law was also appropriated by the Congress. Any figures pertaining to the number of anticipated federally-connected pupils originated with the Commissioner of Education. His estimate of this figure was based upon figures taken from the "Enrollment and Attendance of All Pupils" sheet (see Appendix, page 42). The

heading on the fourth column was entitled "Estimated ADA for 1959-60", or in other words, for the next school year. The Commissioner's office used this as a basis for that year's budget. Suppose the Commissioner's estimate was short and Congress didn't appropriate sufficient funds to cover the entire federally-connected entitlement. This first appropriation then, had to be pro-rated by the Commissioner.

Appropriations by Congress for Public Law 874 were usually made just preceding the beginning of the school term. In 1958, the first appropriation was approved on August 27. Another year had to pass before another appropriation could be approved. If some other federally-connected agency didn't over-budget and have extra appropriations, the school district received the rest of its money under the Act the following year or even the second year following.

THE IMPACT OF FEDERAL AID MONIES ON  
THE JUNCTION CITY SCHOOL SYSTEM

When Form RSF-1 was completed and submitted in accordance with the prescribed instructions, it made up the applicant's request for financial assistance for current expense purposes for the fiscal year.<sup>17</sup> There was no specification as to when this money was to be received. The Commissioner had a free hand as to the disbursement of these funds. The earlier the applications were properly filled out and submitted to the Commissioner,

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<sup>17</sup> United States Department of Health, Education and Welfare, "Purpose of Application", Instructions for Preparation of Application, Form RSF-1, under Public Law 874.

the earlier payments were supposed to be received.

#### Monies received

The total amounts and numbers of receipts received each month of each year are identified in Table III, page 21.

There were months during the actual nine month school term when no, or practically no, money was received from Federal Aid. For example, according to Table IV, page 22, May and November were months when only one money receipt was received over the period from 1951 to 1961. This was very much in contrast with June, a month when school was not in session, in which six allotments of money arrived.

September, followed by October were other months of large numbers of money receipts, but such receipts represented that number of partial entitlements from previous years.

For example, the requisition for that fiscal year would not be sent to the Commissioner until the first ADA counting period at the end of the first nine weeks of school. The money for that fiscal year could not be back to the local school district before November, and only once, from 1951 through 1961, did this happen. Most of the first Federal checks, or the first group of Federal checks, for that fiscal year arrived sometime between December and May. The second group of checks arrived during the summer months with a large majority in June. The third group usually arrived anytime from September through November.

The months with the largest number of money receipts weren't the

TABLE III

NUMBER OF MONEY RECEIPTS FROM FEDERAL FINANCIAL ASSISTANCE  
UNDER PUBLIC LAW 874 1951-1961

Year	Date	Receipts 1 & 4	Date	Receipts 2 & 5	Date	Receipts 3	Total For Year	Total Receipts
1951	Jan., 1951	\$ 43,332.00	June, 1951	\$ 23,435.86	Dec., 1951	\$ 31,687.65	\$ 98,455.51	3
1952	June, 1952	65,420.03	June, 1952	55,775.90	June, 1952	1,763.64	122,959.57	3
1953	June, 1953	109,639.64	Dec., 1953	5,770.51			115,410.15	2
1954	Dec., 1953	95,568.00	Sept., 1954	34,274.18	Jan., 1955	6,833.64	136,672.82	3
1955	April, 1955	96,450.00	April, 1955	35,555.48	Sept., 1955	7,295.00	145,896.26	4
	Jan., 1956	6,565.78					173,450.56	3
1956	Mar., 1956	112,296.00	June, 1956	43,191.00	Nov., 1956	17,963.56		
1957	Mar., 1957	192,290.00	April, 1957	8,753.00	Oct., 1957	15,597.00	221,062.15	4
	Oct., 1959	4,422.15					254,983.46	3
1958	Feb., 1958	210,537.00	Aug., 1958	5,864.00	Feb., 1959	38,582.46	337,812.02	3
1959	Jan., 1959	210,434.00	June, 1959	110,487.00	Oct., 1960	16,891.02	20,962.00	
1960	Feb., 1960	283,960.00	May, 1960	75,722.00	Sept., 1960		455,975.00	5
	Oct., 1960	52,532.00	Sept., 1961	22,799.00			558,052.00	3
1961	Mar., 1961	420,662.00	April, 1961	93,864.00	Sept., 1961	43,526.00		

TABLE IV

YEAR AND NUMBER OF MONEY RECEIPTS RECEIVED BY MONTHS 1951-1961

School Year	Year Receipts Received	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
1951	1951	X					X						X
1952	1952						XXX						
1953	1953						X						X
1954	1953 1954 1955									X			X
1955	1955 1956				XX					X			
1956	1956			X			X					X	
1957	1957 1959			X	X						X	X	
1958	1958 1959								X				
1959	1959	X					X				X		
1960	1960 1961		X				X			X	X		
1961	1961			X	X					X			
1951-1961 Total No. Rec.		4	3	3	4	1	6	0	1	5	4	1	3



months when the most money was received. As shown on Table VI, page 24, March, with only three sets of money receipts, accounted for the most money which amounted to \$725,248.00. Second was February with three sets of receipts, and a total of \$533,079.00. June, the month with the highest number of receipts, was only third as to value of receipts.

The correlation between the number of receipts and the money received was small; see Figure I, page 25. The months January through April showed a negative or inverse relationship. The months May through December showed a positive relationship. The peak in money value was reached in March when the district was awarded a median number of receipts. The peak in number of receipts was shown to be June which was third in terms of dollars received.

The number of receipts received had little to do with the money value of the receipts.

Two times in this span of years, two or more money receipts were received the same day. On June 30, 1952, three checks were received, and in February, 1958, two checks were received.

Most public schools were in session from September through May. It was during that time that heavy demands were made on the school system's financial resources. According to Rosenstengel and Eastmond, 70 per cent of the budget was spent for teachers' salaries.<sup>18</sup>

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<sup>18</sup>William Everett Rosenstengel and Jefferson N. Eastmond, "Welfare of Employees", School Finance, p. 236.

TABLE V

MONIES RECEIVED DURING THE MONTHS OF THE YEARS FROM FEDERAL FINANCIAL  
ASSISTANCE UNDER PUBLIC LAW 874 1951-1961

School Year	Jan.	Feb.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
1951	\$ 43,332.00					\$ 23,435.86						\$31,687.65	
1952						65,420.03							
						55,775.90							
						1,763.64							
1953						109,633.64							
1954		6,833.64							\$34,274.18			5,770.51	
1955		6,565.78				\$96,450.00			7,295.00			95,565.00	
						35,555.48							
1956			\$112,296.00							\$17,963.56			
1957			132,290.00			43,191.00			\$ 4,422.15				
						8,753.00			15,597.00				
								\$5,864.00					
1959		\$210,537.00											
		38,582.46								16,891.02			
1960	210,434.00					110,487.00			20,962.00				
		263,960.00				\$75,722.00			52,532.00				
									22,799.00				
1961			420,662.00						43,526.00				
						95,864.00							
Total Monies Received	266,662.42	533,079.46	725,248.00	234,662.48	75,722.00	409,713.07	0	5,664.00	128,856.18	89,442.17	17,963.56	133,023.16	\$2,620,719.50

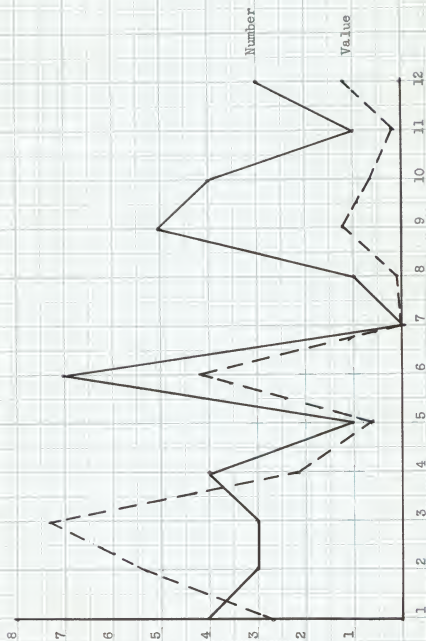


FIGURE I  
NUMBER OF MONTHLY RECEIPTS AND VALUE  
OF MONTHLY RECEIPTS  
1961-1962

Table VI, page 27, shows that only 61.5 per cent of the money from Federal Aid from 1951 through 1961 had been received by the school district during the nine month school term. Of this, only 20 per cent or one-fifth had been received the first semester of the school term, or before February. Four-fifths, or 80 per cent was received between February and June. From year 1951 through year 1961, according to Table VII, page 28, \$1,879,420.48 of the entitlement of \$2,620,719.50 was received during the nine month school term. \$741,299.02 was received over a period of two to three school terms.

Over the period from 1951 through 1961, according to Table VIII, page 29, an average of 9.96 per cent of the Junction City School System's total budget of \$9,996,124.72 had been received either in summer months or in years other than that of entitlement. Some years this amount had been relatively small, others quite large. In 1952, this amounted to 31 per cent of the total budget and all of it was received in June after the nine months school term had ended. This same thing happened again in 1953 and amounted to 21 per cent of the total budget of the school system.

It was during these years that it became necessary for the Junction City School System to acquire school operating money through short-term loans. Funds for March, April, and May for teachers' salaries were acquired through short-term loans until Federal entitlements were received in June.

Again in 1959 and 1960, 10 per cent and 8 per cent, respectively, of the total budget was received at times other than the nine month school term.

TABLE VI

MONIES RECEIVED WHILE NINE MONTHS SCHOOL WAS IN SESSION 1951-1961

Nine Month School Year	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	April	May	Nine Month Total	Entitlement Total	Per cent
1950-51					X							
1951-52				\$ 43,332.00						\$ 43,332.00	\$ 98,455.51	46
1952-53										0	122,595.27	0
1953-54				X						0	115,410.15	0
1954-55				\$95,565.00						95,565.00	136,672.82	70
1955-56								X				
							\$ 96,450.00					
							35,555.48			132,005.48	145,896.26	90
1956-57							X					
				\$112,296.00						112,296.00	173,450.56	65
							192,290.00					
								X				
								\$ 8,753.00				
1957-58										201,043.00	221,062.15	91
								X				
1958-59										210,537.00	254,983.46	82
				X								
1959-60				210,434.00						210,434.00	337,812.02	62
									X			
							\$283,960.00					
1960-61										75,722.00		
								X		359,682.00	455,975.00	79
							420,662.00					
							93,864.00			514,526.00	588,052.00	92
1951-1961	Sept. - Feb. ---20 per cent	Mar. - May ---80 per cent									Average per cent per year	61.5

TABLE VII

MONIES RECEIVED DURING THE NINE MONTH SCHOOL TERM AND ITS  
PERCENTAGE OF THE TOTAL ENTITLEMENT 1951-1961

Year	J.C.S.S. Total Expenditures	Total Federal Entitlements	Money Received During Nine Month School Term	Per Cent of Total Entitlement
1951	\$ 356,280.60	\$ 98,455.51	\$ 43,332.00	44
1952	400,844.41	122,959.57	0	0
1953	546,305.68	115,410.15	0	0
1954	617,949.44	136,672.82	95,565.00	70
1955	659,035.02	145,896.26	132,005.48	90
1956	805,245.01	173,450.56	112,296.00	65
1957	980,577.76	221,062.15	201,043.00	91
1958	1,291,650.41	254,983.46	210,537.00	82
1959	1,236,437.76	337,812.02	210,434.00	62
1960	1,456,372.66	455,975.00	359,682.00	79
1961	1,625,425.97	588,052.00	514,526.00	92
1951-1961	\$9,996,124.72	\$2,620,719.50	\$1,879,420.48	Av. 61.4

TABLE VIII

UNPAID ENTITLEMENT BALANCES: PER CENT OF TOTAL ENTITLEMENT;  
PER CENT OF TOTAL SCHOOL EXPENDITURES 1951-1961

Year	J.C.S.S. Total Expenditures	Total Federal Entitlements	Unpaid Entitlement Balance	Unpaid Per cent of Entitlement	School Expenditures
1951	\$ 356,280.60	\$ 98,455.51	\$ 55,123.51	56	15
1952	400,844.41	122,959.57	122,959.57	100	31
1953	545,305.68	115,410.15	115,410.15	100	21
1954	617,949.44	136,672.82	41,107.82	30	7
1955	659,035.02	145,896.26	13,880.78	10	2
1956	805,245.01	173,450.56	61,154.56	35	7.5
1957	980,577.76	221,062.15	20,019.15	9	2
1958	1,291,650.41	254,983.46	44,446.46	18	3.4
1959	1,256,437.76	337,812.02	127,378.02	38	10
1960	1,456,372.66	455,975.00	96,293.00	21	8
1961	1,625,425.97	558,052.00	43,526.00	8	2.7
1951-61	\$9,996,124.72	\$2,620,719.50	\$741,299.02	Av. 38.6	Av. 9.96

In 1959, both the first and second partial entitlement checks amounted to only 62 per cent of the total entitlement. The final payment was received in September.

This sequence of receiving Federal Aid monies made it possible for only a portion of the total entitlement to be received and used during a nine month school term. According to Table VI, page 27, this portion amounted to only 61.5 per cent of the total entitlement.

#### Unpaid entitlement balances

The unpaid entitlement balance was included in the total school budget just the same as the part of the entitlement that had been received. The part of the school program dependent on finances from unpaid entitlements suffered. This was in the form of pro-rating portions of the educational program, overloading classrooms, or literally doing without certain items.

From 1951 through 1953, unpaid partial entitlements were counter-balanced with short-term loans. From 1954 through 1958, the per cent of the unpaid entitlements ranged from 2 to 7.5 per cent of the total budget. The amounts of money ranged from \$13,000.00 to \$62,000.00. During these years, there was no record of any short-term loans. The school's financial department had to function without these monies and the educational program was cut according to the money that remained outstanding.

In 1959, the unpaid entitlement balance amounted to \$127,378.02. Fortunately, \$110,487.00 of this unpaid balance was received in June.



This left only \$16,891.02 outstanding. Two years ago the Junction City Teacher's Association voted to be paid one-fourth of yearly teachers' salary in a lump sum in June. This amount more than balanced any monies that weren't received during the nine month school term. As a rule, the third set of Federal checks ranged from one thousand dollars to as high as 20 thousand dollars. This amount varied considerably from the 5 per cent requested in the third and final requisition.

The unpaid entitlements at the end of the nine month school period in 1959 was \$127,378.02. In 1960, it was \$96,293.00 and in 1961, it was \$43,526.00.

The Junction City School System handled these situations first by using an eighteen month budget. They coupled this with a three month block payment of teachers' salaries, which more than offset any unpaid entitlements. This sum paid to teachers for salaries amounted to over \$200,000.00 each year.

#### Making the problem educationally workable

The objective in educational finance is to budget the amount of money necessary to insure the educational program. To do this, it is necessary to have sufficient operating money available. According to ~~this~~ study, 9.96 per cent of the budget would not be expected during the nine month school period.

Three suggestions were made to make this problem educationally workable:

One, over-budget the first year to 110 per cent of the needed money

to operate the educational program. The second year and following years, the unpaid entitlement balances would be used as part of the succeeding year's budget. This way the school system would have 100 per cent of its budget available throughout the entire year.

Second, budget 100 per cent of the money needed to operate the educational program. Manage the financial program so some large block of money would be paid during the summer months and treat the unpaid entitlement as money in the bank.

Third, use short-term loans to bolster operating funds when funds were short due to unpaid entitlements. Pay off the loans as Federal entitlements arrived.

## SUMMARY

The Junction City School System was eligible for Federal Financial Aid under Public Law 874 because it provided free public education to varying numbers of federally-connected 3(a) pupils and federally-connected 3(b) pupils.

The Junction City School System took advantage of Public Law 874 upon its passage by the 81st Congress of the United States on September 30, 1950.

During the years from 1951 through 1961, the Junction City School District had received \$2,620,719.50 from Federal Aid for 3(a) and 3(b) pupils. This amounted to more than 25 per cent of the Junction City School System's total budget of \$9,996,124.72 for this period of time. Without this amount of money during this period, the district would have worked under a great hardship.

Many details were identified in this study that could be used in the Junction City School business management, such as:

The correlation between the number of receipts and the amount of money received was small. The months, January through April, showed an inverse relationship between receipts and money received, while from May through December, there was a weak direct relationship. March was the high month in dollar receipts with \$725,248.00. July showed no receipts. February, June, January, and April were months which showed large dollar receipts.

Only 61.5 per cent of the total entitlement could be expected to arrive during the nine month school term. Of this 61.5 per cent, only

20 per cent was received during the first semester, from September to February.

The unpaid 38.5 per cent of the total entitlement represented 9.96 per cent of the total budget. This amount would not be available for operating expenses during the nine month school term. Some provision in the budget would have to be made to allow for it.

The majority of the first Federal Aid checks arrived between December and April. The second checks between May and August and the third checks in September or later. In the 1956-1957 school term, the first money arrived in March, 1957. The last money of that entitlement arrived in October, 1959, a spread of three school years.

Three suggestions were made to counteract the effect of this distribution problem upon the educational operation of the school district:

(1) Over-budget the first year to 110 per cent of the needed money to operate the educational program. The second year and following years, the unpaid entitlement balances would be used as part of the succeeding year's budget. This way the school system would have 100 per cent of its budget available throughout the entire year.

(2) Budget 100 per cent of the money needed to operate the educational program. Manage the financial program so some large block of money would be paid during the summer months and treat the unpaid entitlement as money in the bank.

(3) Use short-term loans to bolster operating funds when funds became short due to unpaid entitlements. Pay off the loans as Federal entitlements arrived.

## ACKNOWLEDGEMENT

The writer wishes to express his appreciation to Dr. O. K. O'Fallon, Department of Education, Kansas State University for the instruction and guidance in the preparation of this report.

Many thanks must also go to Superintendent Harold Deever of the Junction City School System for his time and instruction, and especially for making school records available.

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## BIBLIOGRAPHY

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Superintendent of Schools. "Entitlements." Junction City, Kansas: Junction City School System, 1951-1961.

Superintendent of Schools. "Receipts." Junction City, Kansas: Junction City School System, 1951-1961.

Superintendent of Schools. "Requisitions." Junction City, Kansas: Junction City School System, 1951-1961.



## APPENDIX

Form RSF-1 (1958-59) Application  
Made to Dept. Health, Education and  
Welfare, Office of Education

Application for Financial Assistance for  
Current Expenditures for Public Schools in  
Areas Affected by Federal Activities Under  
Public Law 874 (81st Cong.), as Amended  
1958-59 \_\_\_\_\_  
1959-60 \_\_\_\_\_

The Applicant herein below designated hereby applies to the United States of America for payment of the amount to which it is entitled under the provisions of Public Law 874 (81st Cong.), as amended, to aid in financing the current expenditures of its school system for the year beginning July 1, 1959. The applicant has examined the provisions of the above-mentioned Law and claims Federal assistance under the following sections for which data have been submitted hereinafter.

Check sections applied for 2 \_\_\_\_; 3 \_\_\_\_; 4 \_\_\_\_.

THE APPLICANT HEREBY GIVES ASSURANCE TO THE COMMISSIONER OF EDUCATION THAT:

1. It is a local educational agency having administrative control and direction of free public education in the school district; that it is classified as Second Class City (K-12) authorized to operate schools, and that it may accept and disburse Federal funds to aid in financing its current expenditures, all in accordance with the following constitutional statutory, or charter provisions Senate Bill No. 159 Kansas Session Laws 1951.

2. The filing of this application has been duly authorized by the appropriate governing body or governing officers of said school district; and the undersigned representative has been duly authorized by formal action of said governing body or governing officers to file this application and make the representations and commitments herein for and in behalf of said applicant and otherwise to act as the authorized representative of the applicant in connection with this application. Said authorization was passed in an official meeting of the governing body held on Oct. 5, 1958 and made a part of the minutes of said meeting.

3. Such reports as the Commissioner may reasonably require under the above-mentioned Act will be submitted by the applicant promptly.

I, Supt. of school \_\_\_\_\_, the duly authorized representative of the applicant do hereby certify that all the facts, figures, and representations, made in this application and the attachments hereto which are hereby made a part of this application are true and correct to the best of my knowledge and belief, and are in accord with P.L. 874, as amended, and instructions

pursuant thereto issued by the U. S. Commissioner of Education.

IN WITNESS WHEREOF the applicant has caused this application to be duly executed by its undersigned representative and has caused its official seal (if one has been adopted) to be hereunto affixed on this 27th day of Nov., 1958, at Junction City, County, Geary,, State of Kansas.

Signature of authorized rep. \_\_\_\_\_

His title \_\_\_\_\_

Address \_\_\_\_\_

Telephone No. \_\_\_\_\_

Certification By State Educational Agency

I have examined this application and find that: (1) all information submitted herein is verifiable from records on file in the State Educational agency, is consistent with such records; and (2) all information submitted herein which is not so verifiable is, to the best of my knowledge, correct and complete.

Date November 29, 1959

State Educational Agency  
By G. W. Reida  
Title Director, School  
Facilities Service

# ENROLLMENT AND ATTENDANCE OF ALL PUPILS

(This Form Applicable When Actual ADA is kept)

Category	To be completed in full by applicants under Subsections 3(c)(1) and 3(c)(4)		Estimated		Per cent of Total ADA 26
	1958-59 ADA Entire year 1021.12	10-13-58 Current Active Enrollment 947	10-13-58 Actual ADA to date 1503	ADA 1959-60 1800	
1. Pupils residing on Federal property--Parents employed on Federal property.	0	0	0	0	0
2. Pupils residing on Federal property--Parents not employed on Federal property.	1416.51	1719	2387	2600	37
3. Pupils whose parents are employed on Federal property-- not residing on Federal property.	2437.63	2665	3890	4400	63
4. Total Section 3 pupils-- Sum of lines 1, 2, and 3.	0	0	0	0	0
5. Pupils whose attendance results from Federal Activities.	1435.62	1372	1465	1500	37
6. All other pupils(non-federally connected) Exclusive of pupils for whom tuition was received.	3873.25	4037	5355	4900	xxx
7. Total--all pupils (exclusive of pupils for whom tuition was received) lines 1-6, inclusive.	0	0	0	0	xxx
8. Pupils for whom tuition was received.	Rate Requested for Payment				
Item 2. Comparable school districts based upon State groupings. To be completed when group rates have been approved for the State.	As				

REQUISITION FORM FOR CLAIMING ELIGIBLE PUPILS  
FOR FEDERAL FINANCIAL AID UNDER PUBLIC LAW 874

Requisition For Pupils Residing on Listed Federal Properties For 1959-60.

(This table applicable when Actual ADA is kept)

To be completed in full by applicants under subsection 3(c)(1) and 3(c)(4)

Section 4.

Name and Address	State	Parent Employed on Federal Property 3(a)(b)	Parents Not Employed on Federal Property
1. Fort Riley Military Reservation	Kans.	1888	2128
2.			
3.			
4.			
5. Total enrollment of eligible pupils		1888	2128
6. Current active enrollment(membership)		1888	2128

Pupils whose parents are employed on listed Federal properties for 1960-61.  
Same headings as above

1.		1888	2128
2.			
3.			
4.			
5. Total enrollment of eligible pupils		1888	2128
6. Current active enrollment(membership)		1888	2128

Section 3.

1. Do not include any nonresident pupils for whom another school district pays tuition to applicant district, resident pupils for whom the applicant district receives tuition, or any adult students.

2. Form RSF-5 is to be submitted separately only for specific properties as requested by our Field Representative or the State educational agency.

3. Any pupils who reside on Federal property and have a parent on active duty in the uniformed services may be counted as eligible as 3(a) pupils. Such pupils may be included in the number of pupils entered in above figures opposite the property on which they reside.

4. When a property is an office building, give a breakdown indented underneath name of property with a list of agencies housed therein with the

number of pupils opposite each agency; for all other properties, list the official name and address. Real property under the jurisdiction of the Post Office Department and used primarily for providing postal services is not eligible property.

5. When property claimed is a V.A. Hospital, state in a footnote (attachment) whether parents (of child claimed) are employees or patients at the hospital.

6. Any pupils who do not reside on Federal property but who have a parent on active duty in the Armed Forces may be counted if otherwise eligible.

Survey brought up to date Oct. 20, 1959

THE IMPACT OF DISTRIBUTION OF MONIES UNDER PUBLIC LAW  
874 ON THE JUNCTION CITY SCHOOL SYSTEM FROM 1951 THROUGH 1961

by

GLENN BLANCHARD MEREDITH

B. S., Kansas University, 1951

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AN ABSTRACT OF A MASTER'S REPORT

submitted in partial fulfillment of the

requirements for the degree

MASTER OF SCIENCE

Department of Education

KANSAS STATE UNIVERSITY  
Manhattan, Kansas

1962

## ABSTRACT

The problem was to study and report the impact of the distribution of monies under Public Law 874 on the Junction City School System from the year 1951 through year 1961.

The hypotheses for this study were, first, that entitlements under Public Law 874 varied as to number and amounts.

Second, that receipts under Public Law 874 could be expected to be more numerous during certain months of the year.

Third, that a sizable per cent of receipts from Public Law 874 would not be available during a nine month school term.

Fourth, that the above conditions had a definite effect on the total finances of the Junction City School System Budget.

There has been a certain amount of Federal Aid to education ever since our nation was young. Some of these Federal Aids were: the Ordinance of 1785; the Morrill Act in 1862; the Smith-Lever Act of 1914; the Smith-Hughes Act of 1917; and the Vocational Rehabilitation Act of 1920.

In September 1950, Public Law 874 was passed by the 81st Congress of the United States. This Act was to give Federal Financial Aid to local educational agencies upon which the United States had placed financial burdens because of reduced taxing areas, of pupils in school because of parents in the uniformed services, of pupils residing on Federal property, of pupils of parents who work on Federal property and because of increased numbers caused by activities of the United States.



Most Federal Aid has been given to only certain phases of education.

The Junction City School System has received Federal Aid under P.L. 874 Act since 1950. A total of \$2,620,719.50 has been received because of the more than 14,000 federally-connected pupils who have attended the Junction City Schools.

Irregularity of payment of monies received under this Act has made it difficult to keep the school budget in balance.

A study of the impact of distribution of monies under Public Law 874 from 1951 through 1961 was made.

No previous study of this problem had been made, and information developed in this study was used in the Junction City School business management.

A study was made of eligibility, applications, requisitions, entitlements and monies received under this Act.

The study showed that the correlation between the number of receipts and the money value of receipts was small. March was the high month in dollar receipts with \$725,248.00. July showed no receipts. February, June, January, and April were months which showed large dollar receipts.

It also showed that from 1951 through 1961, only 61.5 per cent of the total Federal entitlements would be available for operating expenses during the nine month school term and that only 20 per cent of this amount would be available during the first semester. This means that 38.5 per cent of the total entitlement would not be available during the nine month school term. This 38.5 per cent of the total entitlement represented 9.96 per cent

of the total school system budget.

The budget should be built according to the needs of the educational program. If 9.96 per cent of the total budget was to be unavailable during the nine month school term because of unpaid entitlements, some balancing method would have to be employed to offset this amount. Three suggestions were made to make this condition educationally workable:

One, over-budget the first year to 110 per cent of the needed money to operate the educational program. The second year and following years, the unpaid entitlement balance would be used as part of the succeeding year's budget. This way the school system would have 100 per cent of its budget available throughout the entire year.

Secondly, budget 100 per cent of the money needed to operate the educational program. Manage the financial program so some large block of money would be paid during the summer months and treat the unpaid entitlement as money in the bank.

Thirdly, use short-term loans to bolster operating funds when funds became short due to unpaid entitlements. Pay off the loans as Federal entitlements arrived.